

April 09, 2009

CLERK, U.S. BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA

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Attorneys for Debtor and Debtor-in-Possession  
 JRS Shaddy, Inc.

## UNITED STATES BANKRUPTCY COURT

## EASTERN DISTRICT OF CALIFORNIA, FRESNO DIVISION

In re:

JRS SHADDY, INC.,

Debtor.

Case No. 08-13579-A-11

Chapter 11

DC No. KDG-25

Date: March 25, 2009

Time: 1:30 p.m.

Place: 2500 Tulare Street, Dept. A

Fifth Floor, Courtroom 11

Fresno, California

Judge: Honorable Whitney Rimel

**FINDINGS OF FACT IN SUPPORT OF CONFIRMATION OF  
 FIRST AMENDED PLAN OF REORGANIZATION (MODIFIED)  
 FILED BY DEBTOR**

**I. Introduction<sup>1</sup>**

Confirmation of the *First Amended Plan of Reorganization* filed by JRS SHADDY, INC. ("Debtor"), on February 19, 2009 (the "First Amended Plan"), came on for hearing on March 25, 2009, at 1:30 p.m. after notice to Debtor, the United States Trustee, all creditors and parties requesting special notice. Appearances were as set forth on the record.

The Court reviewed the First Amended Plan, the Worksheets for Determining Acceptance of First Amended Plan of Reorganization submitted by Debtor, the *Memorandum of Points and Authorities in Support of Confirmation of First Amended Plan of Reorganization*

<sup>1</sup> The Capitalized terms herein shall have the same meaning as set forth in the First Amended Plan of Reorganization (Modified) filed on April 2, 2009.

RECEIVED

April 08, 2009

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1 *Filed by Debtor as Modified* (“the Memorandum of Points and Authorities”), the *Declaration*  
2 *of Joel Shaddy in Support of Confirmation of First Amended Plan of Reorganization Filed by*  
3 *Debtor* (“the Declaration of Joel Shaddy”), the Ballots on First Amended Plan of  
4 Reorganization filed by Debtor (the “Ballots”), and considered the comments made on the  
5 record by counsel for Debtor and other counsel.

6 After determining that copies of the First Amended Plan and the First Amended  
7 Disclosure Statement approved by the Court had been served on Debtor, the United States  
8 Trustee, all creditors, parties in interest, and parties requesting special notice, the Court makes  
9 the following findings as more fully described on the record at the hearing held on March 25,  
10 2009:

## 11 **II. Findings of Fact and Conclusions of Law**

12 1. *Debtor’s First Amended Plan of Reorganization Under Chapter 11 of the*  
13 *Bankruptcy Code (Modified)* filed on April 8, 2009 (the “Plan”), complies with the applicable  
14 provisions of Chapter 11 of the Bankruptcy Code and meets the requirements of 11 U.S.C. §  
15 1129 as more fully described below;

16 2. The Plan has been proposed in good faith and not by any means forbidden by  
17 law;

18 3. Any payment made or promised by Debtor or the estate for the services or for  
19 costs and expenses incurred in connection with the case, or in connection with the Plan and  
20 incident to the case, have been disclosed to the Court;

21 4. Each holder of a claim or interest of an impaired class that has accepted the Plan  
22 has, or will receive or retain under the Plan as modified, property of a value, as of the Effective  
23 date of the Plan, that is not less than the amount that such holder would receive or retain if the  
24 estate was liquidated under Chapter 7 on account of such claim;

25 5. The Plan has been accepted by at least one class of claims impaired under the  
26 Plan excluding insiders of Debtor;

27 6. Confirmation of the Plan is not likely to be followed by the liquidation or the  
28 need for further financial reorganization of Debtor except as proposed in the Plan; and

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1           7.       All required Court and United States Trustee fees will be paid before the  
2 Effective Date of the Plan.

3           8.       The Plan is fair and equitable as it relates to treatment of the following classes of  
4 claims that are impaired under the Plan but did not return Ballots or accept the Plan as required  
5 by 11 U.S.C. § 1129(a)(8): (a) the **Class Eight** claims of Internal Revenue Service; and (2) the  
6 **Class Ten** claims of California Franchise Tax Board

7           9.       Notice of the hearing on confirmation of the First Amended Plan was adequate  
8 and, based upon the foregoing, good cause appears for the entry of an Order confirming the  
9 Plan.

10          10.       The Court will issue a separate Order confirming the Plan and setting specified  
11 deadlines as set forth in the Plan.

12 **Respectfully Submitted By:**

13           KLEIN, DeNATALE, GOLDNER,  
14 COOPER, ROSENLIEB & KIMBALL, LLP

15  
16 By /s/ T. Scott Belden  
17 T. SCOTT BELDEN  
18 TERRENCE T. EGLAND,  
19 Attorneys for Debtor, JRS Shaddy, Inc.  
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Dated:

Apr 09, 2009

  
United States Bankruptcy Judge

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13           KLEIN, DeNATALE, GOLDNER,  
14 COOPER, ROSENLIEB & KIMBALL, LLP

15  
16 By   
17 T. SCOTT BELDEN  
18 TERRENCE T. EGLAND,  
19 Attorneys for Debtor, JRS Shaddy, Inc.  
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Date: March \_\_\_\_\_, 2009

UNITED STATES BANKRUPTCY JUDGE